

## Activity Summary

### General

Orange County is one of the smaller counties in the state. The county is made up of ten townships with a total parcel count of just under 18, 000 total parcels. The real estate market has been relatively slow for several years until recent developments involving the new casino and modernization of French Lick and West Baden hotels. This has led to a dramatic increase in the value of commercial properties near the hotel.

The housing sector has been relatively flat. New residential developments have been limited to a few large-tract rural subdivisions scattered around the county with only a small number of new homes in those areas.

### Commercial

In the towns of West Baden and French Lick a large enough sample of improved commercial sales was available to develop a trending factor. Applying this trend factor to the improved parcels yielded an increase in almost all the parcels. Commercial parcels in both of these taxing units were substantially increased during the 2006 trending project. In all the remaining taxing districts the number of improved sales was limited. In those districts a cost index derived from *Marshall and Swift* was loaded into the county's Proval software system and batch recalculations of commercial and industrial properties were carried out.

The cost index was developed from reviewing 4 different time-adjusted indexes in the *Marshall and Swift* manual. The index arrived at was 1.33 (133%). After the commercial and industrial recalculation was carried out, new depreciation figures were applied using January 1, 2006 as the new effective date to determine depreciation instead of the prior January 1, 1999 date. The market data available was used to help determine obsolescence depreciation if needed.

As part of the review of commercial property, the county's appraisal vendor carried out field inspections and complete reassessments of 90% of the improved property in the town of Paoli and carried out a complete reassessment of approximately 50% of the improved commercial and industrial parcels in West Baden. During the 2006 trending project approximately 40% of the commercial and industrial parcels county-wide were completely reworked.

Also during the 2007 trending project the French Lick hotel was completely reworked through a combination of new blue prints and multiple field inspections. New construction associated with the casino project, golf course renovation, and event center was all added to the rolls.

## **Commercial Land**

Due to the limited amount of raw land sales for commercial and industrial property, the county contracted with a local appraiser (Magner Appraisal of Paoli) to obtain appraisals of commercial and industrial properties in both Paoli and Orleans Townships. The appraisals carried out were used to supplement and revise the land values established by the county.

## **Residential**

All sales disclosures for residential properties are initially verified and validated by the county assessor's office by phone contact with the parties involved in the sale. For those parcels where the sale price and assessed value differ by more than 20%, a field inspection is carried out by the county's appraisal vendor. These inspections often result in finding renovated, omitted or removed improvements. Discussion with the owners onsite yielded new information about the financing or family relationships which do not always appear on the disclosures.

Sale prices throughout the county showed modest increases in 2006. The number of foreclosures was higher than in the past and created additional work during the verification process. Signification changes were made to the residential parcels during the 2006 trending project, but most of the changes for 2007 were relatively modest.

## **Income Producing Properties**

Orange County has a limited number of multi-family housing apartments. Most of the multi-family developments are either low-income or elderly housing. The county has obtained income and expense data from the majority of those properties. Almost all of the multi-family apartments were appealed during the 2002 reassessment and/ or following the 2006 trending project. The process of comparing the capitalized net income to the assessed valuations has been an ongoing activity since the 2002 reval. The county has also gathered rental data from residential rentals to develop GRM's and then compared the GRM derived values against the current assessed values.

### **Other data Sources**

The data base for properties available through the MLS has improved in the past few years. The county has utilized what data is available, which is primarily on-line listing fact sheets as comparison of value and also to obtain construction data on both residential and commercial property. The MLS data is still relatively limited compared to MLS data available in most larger counties. What data is available has been incorporated into the 2007 valuation process.

As part of the ongoing assessment process the county also has a tax attorney, Marilyn Meighn, on retainer. The county utilizes her services on various appeals each year and she has provided appraisers to help support the county's assessed values.